

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

SUPPLEMENTAL ORDER REGARDING

ELECTIONS, UNIT: V-3121

(herein "Subject Drilling Unit")

DOCKET NO. VGOB-94/12/13/0489

REPORT OF BOARD

FINDINGS AND ORDER

1. This Supplemental Order is entered by the Board sua sponte in the form authorized by the Board at its hearing held at 9:00 a.m. on October 20, 1992, Board of Supervisors Room, Courthouse, Grundy, Virginia, and pursuant to authority granted to the Board's Chairman at the hearing of the Virginia Gas and Oil Board on June 16, 1992 at 9:00 a.m. at the Rhododendron Restaurant at the Breaks Interstate Park, Breaks, Virginia; and this Supplemental Order is being recorded for the purpose of (1) complying with the requirements of § 7.c of the Virginia Gas and Oil Board Regulations, VR 480-05-22.2 by supplementing the Order previously issued by the Board for the subject Docket on January 9, 1995 and recorded at Deed Book 794, Page 289 in the Office of the Clerk of the Circuit Court, Wise County, Virginia on January 17, 1995, (herein "Board Order") to complete the record regarding elections. The Board Order pooled all interests in Subject Drilling Unit including those of the Respondents more particularly set forth and identified by the Designated Operator in the affidavits attached hereto and made a part hereof. The Board finds it has jurisdiction over the subject matter pursuant to the provisions of the Virginia Gas and Oil Act, § 45.1-361.1 et seq., Virginia Code, 1950 as amended.

2. Findings: The Board finds that:

(a) The Board Order directed Equitable Resources Exploration (herein the "Designated Operator"), to mail copies of the Board Order to all Respondents whose interests, if any, were pooled by said Board Order;

(b) The Designated Operator filed its affidavit of mailing dated January 26, 1995 disclosing that it had mailed a true and correct copy of the Board's Order to all Respondents whose interests, if any, were pooled by said Board Order;

(c) The Board Order required each Respondent whose interests, if any, were pooled by the terms of said Board Order to make his or her election within thirty (30) days after the date of mailing or recording, as applicable, of said Order; the Designated Operator has filed its affidavit dated March 2, 1995 in accordance with 7.c of the Virginia Gas and Oil Board Regulations and VR 480-05-22.2 (herein "Affidavit of Election"), wherein it has, for each Respondent whose interests, if any, were pooled by said Board Order, stated: (i) whether each Respondent has made or failed to make a timely election; (ii) the nature of the election made, if any; (iii) whether, by reason of a failure to elect or to timely elect one or more

Respondents are deemed, under the terms of the Board's Order, to have leased all their rights, title, interests, estates and claims in Subject Drilling Unit to the Designated Operator;

(d) The Board Order further required the Designated Operator, after expiration of the election period, to file with the Board a statement of the interests subject to escrow under the terms and provisions of the Board Order, in light of the elections made or deemed to have been made (herein "Statement of Interests"); that the Designated Operator furnished said Statement of Interests as part of its Affidavit of Election. A copy of which is attached hereto as Exhibit B.

(e) Current Board standards requiring the escrow of funds and the Board's agreement with its Escrow Agent, Tazewell National Bank, P. O. Box 909, Tazewell, Virginia 24651, or any successor named by the Board, require the entry of a Supplemental Order establishing of record the elections made or deemed to have been made and specifying the sums or percentage thereof subject to escrow.

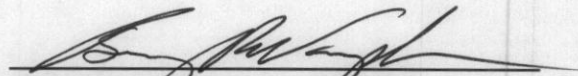
3. Order: By this Order, the Board orders the Designated Operator to tender, consistent with and in accordance with the findings set forth at paragraph 2. above and the annexed Affidavits, any funds subject to escrow and instructs the Escrow Agent, Tazewell National Bank, P. O. Box 909, Tazewell, Virginia 24651, or any successor named by the Board to establish interest-bearing escrow account(s), IRS Tax Identification Number 54-1629506, in accordance with the information set forth in said Affidavits to receive such funds and account to the Board therefore.

4. Mailing of Order and Filing of Affidavit: The Designated Operator under the captioned order or its Attorney shall file an affidavit with the Secretary of the Board within ten (10) days after the date of receipt of this Order stating that a true and correct copy of this Order was mailed within seven (7) days from the date of receipt of this Order to each person whose interest or claim is subject to escrow and whose address is known.

5. Conclusion: Therefore, the findings and all terms and provisions set forth above be and hereby are granted and IT IS SO ORDERED.

6. Effective Date: This Order shall be effective on the date of its execution.

DONE AND EXECUTED this 20<sup>th</sup> day of March 1995, by a majority of the Virginia Gas and Oil Board.

  
Chairman, Benny R. Wampler

STATE OF VIRGINIA)  
COUNTY OF WISE )



Acknowledged on this 20<sup>th</sup> day of March, 1992, personally before me a notary public in and for the Commonwealth of Virginia, appeared Benny Wampler, being duly sworn did depose and say that he is Chairman of the Virginia Gas and Oil Board, that he executed the same and was authorized to do so.

Susan G. Garrett  
Susan G. Garrett  
Notary Public

My commission expires 7/31/98

DONE AND PERFORMED this 20<sup>th</sup> day of March 1992 by Order of this Board.

Byron T. Fulmer  
Byron Thomas Fulmer  
Principal Executive to the Staff  
Virginia Gas and Oil Board

STATE OF VIRGINIA  
COUNTY OF WASHINGTON

Acknowledged on this 20<sup>th</sup> day of March, 1992, personally before me a notary public in and for the Commonwealth of Virginia, appeared Byron Thomas Fulmer, being duly sworn did depose and say that he is Principal Executive to the staff of the Virginia Gas and Oil Board, that he executed the same and was authorized to do so.

Diane J. Davis  
Diane J. Davis  
Notary Public

My commission expires 9/30/97

VIRGINIA: In the Clerk's Office of Wise Circuit Court 3-27, 1995  
This deed was presented and upon the annexed Certificate of acknowledgement admitted  
record at 1:38P M. The tax imposed by 58.54 of the Code has been paid in the  
amount of \$ 298 Recorded in Deed Book 298 and Page 226  
Gracie G. Hensley, Clerk Terry Shatto Deputy Clerk.

V I R G I N I A:

## BEFORE THE VIRGINIA GAS AND OIL BOARD

IN RE:

Application of Equitable Resources Exploration for Forced Pooling of Interests in Unit Number V-3121, VGOB Docket No. VGOB-94/12/13-0489 in the Lipps Magisterial District of Wise County, Virginia

AFFIDAVIT OF HUNTER, SMITH & DAVIS, Attorneys-at-Law, Agents for the Designated Operator REGARDING ELECTIONS, ESCROW ACCOUNTS AND SUPPLEMENTAL ORDER

James E. Kaiser (herein Affiant), being first duly sworn on oath, deposes and says:

1. That the Affiant is an attorney in the law firm of Hunter, Smith & Davis, the Agent for the Designated Operator, with offices located at 1212 North Eastman Road, Kingsport, Tennessee 37664, and is authorized to give this Affidavit in its behalf;
2. That the Order entered on January 9, 1995, by the Virginia Gas and Oil Board regarding the captioned conventional Unit required the Applicant to mail a true and correct copy of said Order to each person pooled by said Order;
3. That within seven (7) days of the receipt of an executed copy of the Order referred to at Paragraph 2. above, the Affiant was directed to cause a true and correct copy of said Order to be mailed via the United States Postal Service to each Respondent named in the captioned Application, whose address was known, and to all persons, if any, who were added as Respondents at the hearing held in captioned matter;
4. That the Order of the Virginia Gas and Oil Board in the captioned matter required all persons pooled thereby to tender their written elections to the Unit Operator within thirty (30) days of the date said Order was recorded in the county above named; that said Order was recorded on January 17, 1995;
5. That the Designated Operator, by and through their agent, HUNTER, SMITH & DAVIS, Attorneys-at-Law, have established procedures to review all mail received and all written documents received by means other than by mail to ascertain whether parties whose interest have been pooled have made a written election, in a timely fashion, as required by the captioned Order; that said procedures



were followed to identify the elections, if any, made with regard to Subject Unit; that the following persons delivered, by mail or otherwise, written elections to the Unit Operator, within the thirty day election period:

None.

6. That the interest and/or claims of the following persons (who made timely elections, or who are deemed under the terms of the Board's Order to have leased, or who, subsequent to the pooling hearing held in the captioned matter, have leased or otherwise entered into an agreement with the Designated Operator) are subject to escrow under the Board's Order pooling the captioned Unit, Board Regulations and the Code of Virginia; that opposite the name of each person named as a Respondent listed below is set forth:

None.

7. That after the pooling hearing held in the captioned matter, the following persons have leased or entered into a voluntary agreement with the Designated Operator with regard to their interest and/or claims which are not subject to escrow:

- |    |  |          |
|----|--|----------|
| 1) | Cecil E. Jordan and<br>Elsie Jordan      | Tract 16 |
| 2) | Eula Jordan                              | Tract 16 |
| 3) | Bruce A. Jordan and<br>Edna Jordan       | Tract 16 |
| 4) | Joel E. Jordan and<br>Margie Jordan      | Tract 16 |
| 5) | Grace Schmieder and<br>Anthony Schmieder | Tract 16 |

8. That the following persons have not made a timely election and have failed to enter into an agreement with the Designated Operator and their respective interests shall be deemed to have leased pursuant to and in accordance with paragraphs 3 and 2(c) of the Order.

- |    |                              |          |
|----|------------------------------|----------|
| 1) | Eddie C. McElyea et ux.      | Tract 6  |
| 2) | Thomas L. Jackson et ux.     | Tract 9  |
| 3) | Estate of Fred Carson Jordan | Tract 16 |

That pursuant to the provision of VR 480-05-22.27.C and VR 480-05-22.2.8, annexed hereto and incorporated herein is a proposed supplemental order to be entered to complete the record regarding elections; that said annexed supplemental order sets forth that the services of the Escrow Agent are not required in this matter pursuant to the terms of §§ 45.1-361.21.D, 45.1-361.22.A.3 and 4.

Dated at Kingsport, Tennessee, this 2nd day of March 1995.

James E. Kaiser  
Affiant

Taken, subscribed and sworn to before me by James E. Kaiser, the Agent of Equitable Resources Exploration, a corporation, on behalf of the corporation, this 2nd day of March 1995.

My commission expires:

1/27/96

Glenda J. Venable  
Notary



**EXHIBIT "B"**  
**V-3121**  
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BOOK 798 PAGE 282

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE UNIT</u>	<u>NET REVENUE INTERESTS</u>
1	Equitable Resources Exploration P. O. Box 1983 1989 East Stone Drive Kingsport, TN 37662-1983	Leased 241709L-01	28.260%	35.500	0.2826000 WI
<b>Tract 1 Totals</b>			<b>28.260%</b>	<b>35.500</b>	<b>0.2826000</b>
2	Addington, Inc. c/o Pine Mountain Oil & Gas, Inc., Agent P. O. Box 5100 Lebanon, VA 24266  Equitable Resources Exploration	Leased - EREX 241640L-01 T2-251	26.330%	33.070	0.0329125 RI (until 100% well payout)  0.2303875 WI (until 100% well payout)
<b>Tract 2 Totals</b>			<b>26.330%</b>	<b>33.070</b>	<b>0.2633000</b>
3	Sammy M. Smith and Thresia Smith, HW P. O. Box 976 Coeburn, VA 24230  Equitable Resources Exploration	Leased - EREX 244791L-01	6.830%	8.590	0.0085375 RI  0.0597625 WI
<b>Tract 3 Totals</b>			<b>6.830%</b>	<b>8.590</b>	<b>0.0683000</b>
4	Billy R. Boggs and Geraldine Boggs 10520 Lunswood Road Chester, VA 23821  Equitable Resources Exploration	Leased - EREX 244757L-01	2.770%	3.480	0.0034625 RI  0.0242375 WI
<b>Tract 4 Totals</b>			<b>2.770%</b>	<b>3.480</b>	<b>0.0277000</b>

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<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE UNIT</u>	<u>NET REVENUE INTERESTS</u>
5	Billy R. Boggs and Geraldine Boggs 10520 Lunswood Road Chester, VA 23821	Leased - EREX 244757L-01	2.770%	3.480	0.0034625 RI
	Equitable Resources Exploration				0.0242375 WI
<b>Tract 5 Totals</b>			<b>2.770%</b>	<b>3.480</b>	<b>0.0277000</b>
6	Eddie C. McElyea and Jina McElyea P. O. Box 120 Coeburn, VA 24230	Unleased	0.830%	1.040	0.0010375 RI
	Equitable Resources Exploration				0.0072625 WI
<b>Tract 6 Totals</b>			<b>0.830%</b>	<b>1.040</b>	<b>0.0083000</b>
7	Carl Edward Blackburn & Celestine Levola Blackburn, H/W Route 3 Box 947 Coeburn, VA 24230	Leased - EREX 244763L-01	5.280%	6.640	0.0066000 RI
	Equitable Resources Exploration				0.0462000 WI
<b>Tract 7 Totals</b>			<b>5.280%</b>	<b>6.640</b>	<b>0.0528000</b>
8	Edith L. Meade, Widow Route 3 Box 946 Coeburn, VA 24230	Leased - EREX 244756L - 01	1.006%	1.266	0.0012575 RI
	Linda Gay Seemar and Frank Seemar, W/H 2450 Butter Road Lancaster, PA 17601	Leased - EREX 244756L-01	0.252%	0.317	0.0003150 RI



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	Sandra Kay Elkins Godwin and Jim Godwin, W/H 1090 Burnt Mill Road Surry, VA 24230	Leased - EREX 244756L-01	0.252%	0.317	0.0003150 RI
	Equitable Resources Exploration				0.0132125 WI
<b>Tract 8 Totals</b>			<b>1.510%</b>	<b>1.900</b>	<b>0.0151000</b>
9	Thomas L. Jackson and Sue Jackson, H/W P. O. Box 1343 Coeburn, VA 24230	Unleased	0.920%	1.160	0.0011500 RI
	Equitable Resources Exploration				0.0080500 WI
<b>Tract 9 Totals</b>			<b>0.920%</b>	<b>1.160</b>	<b>0.0092000</b>
10	Equitable Resources Exploration P. O. Box 1983 1989 East Stone Drive Kingsport, TN 37662-1983	Leased 241709L-01	1.270%	1.600	0.0127000 WI
<b>Tract 10 Totals</b>			<b>1.270%</b>	<b>1.600</b>	<b>0.0127000</b>
11	Equitable Resources Exploration P. O. Box 1983 1989 East Stone Drive Kingsport, TN 37662-1983	Leased 241709L-01	4.550%	5.720	0.0455000 WI
<b>Tract 11 Totals</b>			<b>4.550%</b>	<b>5.720</b>	<b>0.0455000</b>

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12	Equitable Resources Exploration P. O. Box 1983 1989 East Stone Drive Kingsport, TN 37662-1983	Leased 241709L-01	3.410%	4.290	0.0341000 WI
<b>Tract 12 Totals</b>			<b>3.410%</b>	<b>4.290</b>	<b>0.0341000</b>
13	Equitable Resources Exploration P. O. Box 1983 1989 East Stone Drive Kingsport, TN 37662-1983	Leased 241709L-01	11.450%	14.390	0.1145000 WI
<b>Tract 13 Totals</b>			<b>11.450%</b>	<b>14.390</b>	<b>0.1145000</b>
14	Equitable Resources Exploration P. O. Box 1983 1989 East Stone Drive Kingsport, TN 37662-1983	Leased 241709L-01	2.100%	2.640	0.0210000 WI
<b>Tract 14 Totals</b>			<b>2.100%</b>	<b>2.640</b>	<b>0.0210000</b>
15	Equitable Resources Exploration P. O. Box 1983 1989 East Stone Drive Kingsport, TN 37662-1983	Leased 241709L-01	0.990%	1.240	0.0099000 WI
<b>Tract 15 Totals</b>			<b>0.990%</b>	<b>1.240</b>	<b>0.0099000</b>



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16	E. C. Jordan Heirs Cecil E. Jordan and Elsie Jordan H/W 7017 Red Brook Road Norfolk, VA 23518	Leased-EREX 244896L-01	0.122%	0.153	0.0001521 RI
	* Estate of Fred Carson Jordan C/O Kathleen M. Jordan (Widow) P. O. Box 191 Coeburn, VA 24230	Unleased	0.122%	0.154	0.0001521 RI
	(Walter L. Jordan Heirs) Eula Jordan (Widow) 632 Argona Boulevard Virginia Beach, VA 23462	Leased-EREX 244896L-03	0.122%	0.153	0.0001521 RI
	Bruce Andrew Jordan and Edna Jordan 9738 Richardson Road Bremerton, WA 98310	Leased-EREX 244896L-02	0.121%	0.154	0.0001520 RI
	Joel C. Jordan and Margie Jordan 5917 Moore Drive Pineville, LA 71360	Leased-EREX 244896L-04	0.122%	0.153	0.0001521 RI
	Grace Schmieder and Anthony Schmieder 8362 Quay Drive Arvada, CO 80003-1716	Leased-EREX 244896L	0.121%	0.153	0.0001521 RI
	Equitable Resources Exploration				0.0063875 WI
<b>Tract 16 Totals</b>			<b>0.730%</b>	<b>0.920</b>	<b>0.0073000</b>
<b>TOTALS</b>			<b>100.00%</b>	<b>125.66</b>	<b>1.0000000</b>